GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:3891
ANSWERED ON:19.04.2000
COST OF PRODUCTION
SUNIL KHAN

Will the Minister of STEEL be pleased to state:

(a) Whether the cost of production in Salem Steel Plant has become costlier;

(b) if so, the reasons therefor;

(c) whether the Alloy Steel Plant and Salem Steel Plant are reciprocal units; and

(d) if not, the effect of viability of Alloy Steel Plant?

Answer

MINISTER OF STATE FOR STEEL

(SHRI DILIP RAY)

(a) & (b): Yes, Sir. The cost of production in Salem Steel Plant has risen due to high interest and depreciation charges on account of the setting up of a new hot rolling mill.

(c) & (d): It was originally envisaged to roll stainless steel slabs from Alloy Steel Plant, Durgapur at Salem Steel Plant.However, the cost of slabs from ASP is higher than that of imported slabs. Therefore, it is not financially feasible to roll slabs of ASP at Salem Steel Plant.